



US Army Corps
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Omaha District



Acquisition and Small Business Updates



**US Army Corps
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22 October 2008



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CENWO-SB Objectives:

Educate, Develop & Sustain a Professional
World Class Workforce and Industrial Base
Acquisition and Small Business Updates
Strengthen Team Relationships

Command Philosophy

Mission First – People Always
Leadership Excellence
Stewardship
Communication



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Topics

- Command Philosophy and Priorities
- Acquisition and Small Business Updates
- Electronic Subcontracting Reporting Systems
- Market Research and E-Marketing
- Training and Outreach Opportunities



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FY08 SMALL BUSINESS PERFORMANCE



	USACE	CENWD	CENWK	CENWO	CENWS
AWARDS	\$ 19,445,910,971	\$ 2,386,206,650	\$ 1,035,554,304	\$ 792,788,310	\$ 557,864,036
SB	\$ 5,933,554,739	\$ 752,082,631	\$ 251,862,866	\$ 305,180,271	\$ 195,039,494
WOSB	\$ 1,051,449,076	\$ 97,502,639	\$ 41,925,881	\$ 37,762,398	\$ 17,814,360
SDB	\$ 2,942,166,329	\$ 295,875,338	\$ 81,400,019	\$ 112,443,927	\$ 102,031,392
HBCU	\$ 11,569,584	\$ 527,813	\$ 471,118	\$ -	\$ 56,695
HUBZ	\$ 1,891,467,960	\$ 114,408,965	\$ 56,308,069	\$ 44,398,836	\$ 13,702,060
SDV	\$ 442,082,207	\$ 84,415,491	\$ 1,612,984	\$ 67,934,486	\$ 14,868,021
VOSB	\$ 442,082,207	\$ 84,415,491	\$ 1,612,984	\$ 67,934,486	\$ 14,868,021
OTS	\$ 13,512,356,232	\$ 1,634,124,019	\$ 783,691,438	\$ 487,608,039	\$ 362,824,542
SB (40%)	30.51%	31.52%	24.32%	38.49%	34.96%
WOSB(5.8%)	5.41%	4.09%	4.05%	4.76%	3.19%
SDB (18%)	15.13%	12.40%	7.86%	14.18%	18.29%
HBCU (13%)	26.55%	0.00%	94.00%	0.00%	100.00%
HUBZ (10%)	9.73%	4.79%	5.44%	5.60%	2.46%
SDV (2%)	2.27%	3.54%	0.16%	8.57%	2.67%
VOSB(2%)	2.27%	3.54%	0.16%	8.57%	2.67%
OTS	69.49%	68.48%	75.68%	61.51%	65.04%

Legend

Flagged: Issue

Meets Statutory Goal

Meets USACE Goal

Goal Unmet

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Small Business Updates

- ❑ Reinstatement of SB Set-Asides under the Small Business Competitiveness Demonstration Program (SBCDP)
- ❑ Under the SBCDP small business set-asides were suspended for certain Designated Industry Groups (DIG). See Federal Acquisition Regulation (FAR) Part 19.10 for a complete listing
- ❑ The Federal Procurement Data System-Next Generation indicates that for the 12-month period ending 30 September 2007, DOD's small business performance was less than 40% in DIG for Construction, non-Nuclear Ship Repair, Refuse Systems and Architect and Engineering Services (including Surveying and Mapping)
- ❑ Effective 2 June 2008, all contracting opportunities for the DIGs shall be solicited through competition restricted to eligible members of the Small Business Community

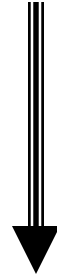


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Small Business Priority



Section 8(a) **SDVOSB** **Hubzone**



Small business



Unrestricted competition



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Small Business Updates

- ❑ Effective 12 August 2008, DOD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to reflect the re-designation of the Office of Small and Disadvantaged Business Utilization" to the Office of Small Business Programs"
- ❑ In an interim final rule effective 3 October 2008, The Small Business Administration will no longer certify or verify the status of Small Disadvantaged Business (SDB).
- ❑ SDB (s) seeking to obtain federal prime or subcontract can self certify, use a third party certification firms and in limited circumstances, the contracting activity may the company.
- ❑ Companies already certified as SDB will not be effected until that status is scheduled for renewal.
- ❑ SBA will continue to investigate protest about a company's SBD status.



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Acquisition Updates

- ❑ The 2009 Defense Authorization bill contains a sweeping set of acquisition reforms (<http://www.pubklaw.com/legis/s3001.pdf>).
- ❑ Congress included language to better identify and regulate non-competitive contracting. The provision states that within a year officials must amend the Federal Acquisition Regulation to require enhance competition under multiple-award contracts.
- ❑ CO must receive three bid rather than merely approach three bidders.
- ❑ The bill mandate a contractor misconduct database on civil or administrative proceedings against contractors with awards in excess of \$500k.
- ❑ Scrutiny of cost-reimbursable type contracts.
- ❑ Oversight of interagency acquisitions.



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Challenges with the Defense Acquisition System

The Defense Acquisition System has been the subject of a lot of criticism for being late and over budget on most of its major programs. Industry associations (NDIA) and DoD studies both reveal several SE issues that contribute to these problems including:

- Adequate, qualified resources are generally not available within government and industry for allocation on major programs
- Requirements definition, development, and management is not applied consistently and effectively
- Inadequate understanding of requirements
- Lack of systems engineering discipline, authority, and resources

Utilizing market research is one way to help overcome these problems to the extent that they can become manageable within the program office and not in the media.





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Acquisition Updates

- ❑ The 2009 Defense Authorization bill contains a sweeping set of acquisition reforms (<http://www.pubklaw.com/legis/s3001.pdf>).
- ❑ Creation of a Contingency Contracting Corps. The corps would deploy during emergencies, national disasters or contingency operations within and outside the United States. Membership would be voluntary and open to all federal and military acquisition professionals.
- ❑ OMB's Office of Federal Procurement Policy (OFPP) and the Federal Acquisition Institute will prepare an acquisition workforce development strategic plan to increase the size of the contracting workforce and create a government wide intern program.
- ❑ OFPP will develop a government wide policy on personal conflicts of interest by contract employees who perform jobs closely associated with inherently governmental functions.



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Welcome to the Introduction to Market Research

In this topic the learner will be introduced to market research, why acquisition professionals need to be aware of its need and who should be involved with market research in defense acquisition. The information in this topic will lay the foundation of market research as it applies to the defense acquisition environment.





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What is Market Research

Most definitions of market research contain the defining processes of gathering, analyzing and interpreting information about a market, about a product or service to be offered in that market, and about the past, present and potential customers for the product or service. Research into the characteristics, spending habits, location and needs of the target market, the industry as a whole, and the particular competitors within a particular market are also common aspects of any definition of market research.

In general, market research should be thought of as the systematic process of collecting, analyzing and presenting objective useful marketing information for assisting management in problem solving and decision making.

It should help management identify, service, and satisfy the needs and desires of its customers. It is a process for gathering data on product characteristics, suppliers' capabilities, and the business practices that surround them. In addition, market research includes all the analysis of the data that is used to make acquisition decisions.





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What is Market Research



First of all, Federal Procurement law and regulations require market research be performed under certain circumstances. Select "[It's the Law](#)" to read the details. In addition, market research is essential to optimize the potential use of commercial items, commercial services, and non-developmental items to meet agency needs. It can also facilitate the removal of unique military requirements that result in unique processes within defense production facilities. Removal of these requirements will broaden the industrial base available to fill DoD requirements and allow historically defense oriented production facilities to expand and become competitive in the commercial market.

Access to the commercial marketplace will also provide access to the latest advances in technology. Military research and development no longer leads the commercial market in areas such as electronics and computer software. In the global marketplace, everyone has access to the same commercial technology base. In the future, part of the military advantage will belong to those who capture state-of-the-art technology, get it into weapons systems, and successfully field those systems first. The preference for utilizing the commercial market applies to more than items and systems. To meet its budget and readiness goals, the Department of Defense is turning increasingly to the commercial market for services it needs, as well.



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...to support acquisition documentation and decisions.

Market research information can be used to define and document mission and operational requirements, system and design specifications, support strategies and plans, milestone decision documents, type and content of the product descriptions or statements of work, to develop contract terms and conditions, and for evaluation factors used during source selection.

...because it is mandated.

Finally, the use of market research to assess capabilities in the commercial marketplace makes sense because it is required by statute! Part 12 of the Federal Acquisition Regulation requires that federal agencies, to the extent practicable:

- buy commercial items, commercial services, and non-developmental items to meet agency needs,
- require prime contractors and subcontractors at all levels to incorporate commercial and non-developmental items as components of systems they develop for federal agencies,



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WHEN IS MARKET RESEARCH PERFORMED?

Market research is a **continuous** effort performed throughout the procurement process. It begins with requirements identification and continues until the product, service, or technology is fielded. The timing, depth, and extent of market research efforts are contingent upon the value and complexity of the procurement; the scope of the effort will vary depending upon the type and amount of information needed at different points.

Market research has two phases: strategic market research and tactical market research.

- **Tactical market research** (also known as "market investigation") is more focused and detailed than strategic market research. It is conducted in response to a specific requirement for a product or service.
- **Strategic market research** (also known as "market surveillance") is an ongoing process independent of any particular requirement. It includes all the activities that you must perform on a continuing basis to stay abreast of product/service developments in your area of responsibility.



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Benefits of Market Research

Market research is essential for optimizing the potential use of commercial items, commercial services, and non-developmental items to meet DoD needs. One of the cornerstones of acquisition reform is to reduce military-unique requirements that result in unique processes, products, and support systems. The benefits are three-fold, as categorized below. Select each benefit to read the details.

Reduced
Acquisition Costs

Reduced
Cycle Times

Access to
Advanced Technology



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Market research can be defined as:

- ☐ A. The defining processes of gathering, analyzing and interpreting information about a market, about a product or service to be offered in that market, and about the past, present and potential customers for the product or service.
- ☐ B. The systematic process of collecting, analyzing and presenting objective useful marketing information for assisting management in problem solving and decision making.
- ☐ C. The process of collecting and analyzing information about capabilities within the market to satisfy DoD needs.
- ☒ D. All of the above



D. Correct. Market research can be defined by all of the above statements.



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Acquisition Reform and the Commercial Market

Acquisition reform initiatives, aimed at providing government purchasing officials with the greatest procurement flexibility possible, has also contributed to DoD's growing utilization of the commercial marketplace's capabilities, and in turn to the importance of conducting effective market research.

Regulations have been altered to encourage government contracting personnel to leverage the experience and ideas of the commercial sector. They have been re-focused to encourage DoD utilization of existing commercial capabilities.

Yet another factor that has made market research more vital than ever before is the need for DoD contracting personnel to use commercial methods to attract potential suppliers that have not traditionally participated in the government acquisition arena. Best value competitions, performance-based work scopes, and incentive-based contract arrangements are ways to better leverage private-sector capabilities and encourage participation.

In addition, the end users of the products and services in the acquisition planning process are expected to be more thoroughly involved. This helps to ensure the free flow of ideas from the most important stakeholders in the upcoming procurement-- the users.





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Acquisition Reform and the Commercial Market, Cont.

Good market research also helps procurement activities avoid the pitfalls associated with hasty introduction of commercial items into the DoD environment, such as:

- hardware and software incompatibility,
- unanticipated design and production changes,
- inadequate production, delivery and support capabilities,
- unacceptable reliability and maintainability, and
- limited market sustainability.



Capitol building with dollar bills behind it



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Market Research Support to Acquisition Strategy

Market research supports the acquisition planning and decision process by supplying technical and business information about commercial technology and industrial capabilities. Market research, tailored to program needs should continue throughout the acquisition process and during post-production support. The DAG requires the acquisition strategy include the results of completed market research and plans for future market research.

Additionally market research can assist technical personnel in the following acquisition areas, click on each to learn more about them:

Potential Sources

Commercial Items

Dual-Use Tech

**Use of Commercial
Production Plants**

n



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Market Research and Other Acquisition Objectives

In addition to supporting the Acquisition Strategy, market research can be used to support other important acquisition objectives. Click below to learn about each of these objectives:

Market Research
Supports
Requirements
Development

Market Research
Supports Open
Systems Design

Market Research
Supports
Development
of Performance
Based Logistics
Strategy

Market Research
Supports Test
and Evaluation
Strategy

Market Research
Supports
Contracting Strategy



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Who Should be Involved in Market Research

The military services and defense agencies do not have a specific group of people called "Market Researchers". There is no Business Development or Marketing Department to perform these research tasks. Instead, a wide range of people are called upon to perform market research related to their area of expertise.



Individual participation may vary, depending on the organization and the types of products or services which they are responsible for. On large and complex acquisitions, a team effort is usually the best approach, since many functional areas may need information gathered during market research.

Conversely, on small, low-dollar acquisitions, there may only be a single person involved in market research.



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Who Should be Involved in Market Research, Cont.

All the factors that will affect the success of the entire acquisition should be considered when identifying who should have input to the market investigation. Answers to the following questions will help determine who should be involved in a particular market research project:

- What information is needed to make the decision to buy from the commercial market?
- What performance characteristics are used to discriminate quality levels in the commercial market?
- Does a product need follow-on support, such as spare parts and repair?
- What follow-on support system characteristics are required?
- Is third-party testing used?
- What business practices are standard?
- What practices are standard for the insertion of new technology?

Answers to these inquiries usually indicate who should be involved with the market research activities. The following paragraphs describe the different types of expertise that usually forms the market research team.



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Who Makes Up a Market Research Team

A market research team can be comprised of many different individuals all contributing their own talents and specialties. Click below to view the individuals that make up a market research team and their roles.



Program Manager

The program manager is responsible for defining and executing the acquisition strategy. He or she may join a market research team in the early stages of the acquisition, as the materiel developer representative, to better understand the analysis of alternatives and other market factors affecting the acquisition. During the execution of the whole program, the program manager is responsible for forming and directing the market research team to gather the appropriate information and to analyze it properly. He may also be one of the decision makers that act upon the information gathered and analyzed during the market research effort.

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Technical Specialist

Depending on the stage of the acquisition and the type of acquisition, this person may be the lead engineer, the system engineer, or a staff engineer. The lead engineer (technical specialist) or system engineer has overall responsibility for market research after concept development. That individual may be the person responsible for translating the requirement into a product description (commercial item description, statement of work, or specification).

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User

The user—the customer—must be satisfied with the product's performance or the service provided. The user has two roles: to evaluate whether the potential product can operate in the environment in which it must function (or whether the proposed service will satisfy the user's critical operational requirements), and to refine the requirement or identify techniques for mitigating performance risk as new information raises the possibility of tradeoffs.

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Logistics Specialist

The team may need a member who is experienced in the support—spare parts, maintenance, warranties, and other support issues—for the potential commercial product or service. Initiatives such as Contractor Logistics Support (CLS) and Performance-Based Logistics (PBL) are transferring many logistics functions to contractors. There may be market research required to address various aspects of CLS and PBL procurements. The logistics member can identify what information needs to come from the market investigation on the existing support system and the support-related aspects of the product or service.



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Testing Specialist

In a commercial item acquisition, the emphasis is on past performance, rather than on R&D test and evaluation (T&E). The T&E specialist can use market research to obtain insight into the validity and relevance of outside testing results and help specify the information that will be needed to address the criteria defined for operational testing. The testing specialist can also use market research to identify commercial entities that are capable of performing test and evaluation services, and organizations that can accredit other quality assurance organizations.

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Specification Writer

DoD policy is to promote standardization of materiel, facilities, and engineering practices to improve military operational readiness, and reduce total ownership costs and acquisition cycle time. It is also DoD policy to state requirements in performance terms, wherever practical, and make maximum use of non-Government standards and commercial technologies, products, and practices.

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Cost Analyst

The cost analyst can use market research to review and compare the affordability aspects of various alternative solutions to meeting a DoD requirement. The cost analyst may perform market research on cost or price factors in order to assist the contracting officer with evaluation of offers to determine a fair and reasonable price for the item / system being researched.

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A man in a white shirt and tie is standing at a table, looking down at a document titled "CONTRACT". The document has several lines of text, some of which are bolded. The man is holding a pen in his right hand. The background is a light green wall.

Contracting Officer

The contracting officer can use market research to identify information on market conditions, general business practices, company information, pricing, and the contract terms and conditions needed to successfully carry out the acquisition. For many smaller acquisitions, the contracting officer may be the only one who performs both the strategic and/or tactical market research. He is also the one who identifies the appropriate documentation of market research findings and conclusions.



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Legal Counsel

Legal counsel can perform market research to determine whether commercial business practices (such as the Uniform Commercial Code) conflict with government contract laws and regulations (FAR). Counsel may also be called on to investigate trade-related issues, export practices, patents and intellectual property rights, corporate ownership and merger issues, labor practices, and other legal developments in the market that may affect the acquisition. Legal counsel is often not needed on the team.

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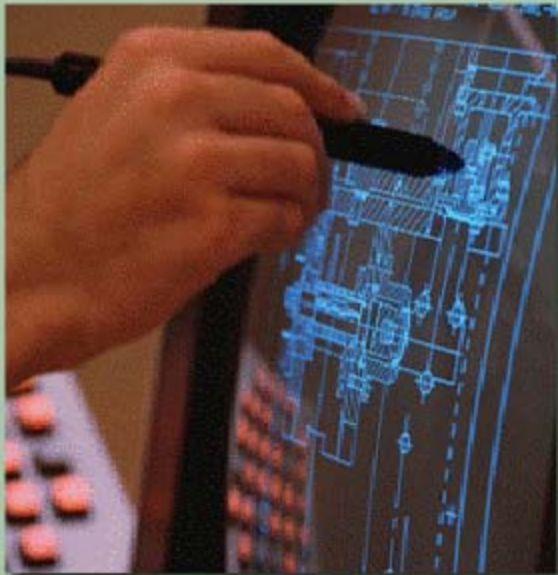


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Other Specialist

Depending on the type and complexity of the acquisition, other technical specialists may be needed to augment the market research team to obtain more detailed information relative to their area of expertise. Some examples include:

- Environmental Specialists familiar with Environment Safety & Occupational Health issues.
- Quality Assurance Specialists more familiar with quality issues dealing with ISO 9000 standards.
- Safety Engineers who can research safety issues of certain solutions using market research techniques.

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Contractors (Potential Vendors)

Industry contractors can perform market research on behalf of the Government; however they may not participate in the instant contract that results from the research they conduct. This would give them an unfair advantage and would be a conflict of interest.

However, potential vendors may and should conduct their own form of market research to keep abreast of what the Government is considering and to be prepared for an official solicitation. Usually it is too late for a potential contractor to start working on a project after the Request for Proposal is released.



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Market Research Team Approach

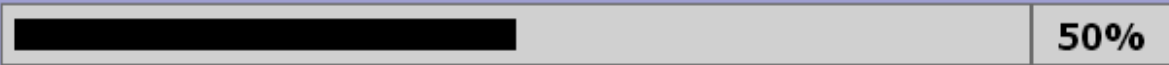
The market research process lends itself to a team effort because of the many aspects that may be involved. The team may be composed of many or all of the previously described specialists as appropriate depending on the nature of the acquisition.

The team is responsible for:

- Determining the information required
- Gathering the information
- Analyzing and presenting the information



1. Organizational Structure



*** 1. Complete this questionnaire to document and demonstrate interest in participating in open competition for NWD Military, Civil and Professional, Scientific and Technical Service Requirements.**

Name of Firm:	<input type="text"/>
DUNS Number:	<input type="text"/>
Firm Address:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text"/>
Zip Code:	<input type="text"/>
Point of Contact	<input type="text"/>
E-Mail Address:	<input type="text"/>
Telephone Number:	<input type="text"/>
Facsimile Number:	<input type="text"/>
Website URL	<input type="text"/>
Address:	<input type="text"/>
Is this a Joint	<input type="text"/>
Venture: Yes or No	